

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARDS OF DIRECTORS OF THE
MESA RIDGE METROPOLITAN DISTRICT NO. 2
(THE "DISTRICT")
HELD
JUNE 5, 2023

A special meeting of the Boards of Directors of the Mesa Ridge Metropolitan District No. 2 (referred to hereafter as the "Board") was convened on Monday, June 5, 2023, at 6:30 p.m. The District Board meeting was held at 230 South Main Street, Fountain, CO 80817 and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Matthew Jones
Elizabeth Nichol
Bobby Ingels
Tanner Orion Wright

Timothy Seibert was absent and excused.

Also, In Attendance Were:

Russell W. Dykstra; Spencer Fane, LLP.
Josh Miller, Courtney Hoff, Carrie Bartow and Mallorie Hansen;
CliftonLarsonAllen LLP ("CLA")
Jennifer Preves and Giannia Wright; Members of the Public

ADMINISTRATIVE MATTERS

Call to Order and Agenda: Upon a motion duly made by Director Wright, seconded by Director Nichol and, upon vote, unanimously carried, the Board called the meeting to order at 6:32 p.m. and excused the absence of Director Seibert.

The Board reviewed the agenda. Following review, upon a motion duly made by Director Wright, seconded by Director Jones and, upon vote, unanimously carried, the Boards approved the agenda, as presented.

Disclosures of Potential Conflicts of Interest: Attorney Dykstra discussed the state law requirements for disclosure of potential conflicts of interest with the Directors, noting that completed disclosure statements have been filed for each of the Directors with the Secretary of State at least three days prior to the meeting. In addition, Attorney Dykstra noted that each Director is to verbally reveal his/her potential conflicts of interest to the Boards prior to beginning the discussion in which a conflict may arise.

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Director Nichol inquired on how to find the filed conflicts of interest and requested that a link to the State site be added to the website. Discussion ensued.

Quorum, Location of Meeting and Posting of Meeting Notices: A quorum of the Board was confirmed. The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board noted that notice of this meeting and conference call information was duly posted and the Board had not received any objections to the location or to the video/telephonic format or any requests that the meeting be changed by taxpaying electors within the District's boundaries.

Public Comment: None

Minutes from the April 12, 2023 Joint Regular Board Meeting: Following review, upon a motion duly made by Director Wright, seconded by Director Jones and, upon vote, unanimously carried, the Board approved the minutes from the April 12, 2023 joint regular Board meeting.

Director Nichol inquired about the December 2022 minutes reflecting all public comments. Discussion ensued. The management team will provide Director Nichol with more information once they've investigated the matter.

Director Wright addressed how minutes are approved and what the timelines are. Attorney Dykstra reviewed the process with the Board.

Director Nichol asked how Mesa Ridge Metropolitan District No. 1 and Mesa Ridge Metropolitan District No. 2 function together. She also inquired about how separation would occur. Attorney Dykstra reviewed the statutes, and the way Metro Districts are structured.

Director Nichol addressed the Inclusion/Exclusion Notice of the new District boundaries. Discussion ensued.

Director Nichol asked where notices are posted. Mr. Miller informed the Board that notices are posted in accordance with the statutes.

The Board discussed bond transfer matters. No action was taken.

Director Wright inquired on who built the infrastructure for Mesa Ridge Metropolitan District Nos. 1-2. Discussion ensued.

Director Wright asked why the bond interest rate was 6.5% during a historically low interest rate period. Discussion ensued.

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Director Jones inquired on how infrastructure was built without bonds. Discussion ensued. Attorney Dykstra and Ms. Bartow clarified Intergovernmental Agreements and multi District relationships.

The Board discussed possible court activity. Attorney Dykstra clarified with the Board that there has not been any court activity for the District.

Director Wright requested examples of Districts with similar mill levies. Discussion ensued.

The Board discussed the high mill levies for the District and noted the lack of amenities, maintenance and the general deterioration of the District.

The Board discussed the ability to cease paying Mesa Ridge Metropolitan District No. 1. Ms. Bartow informed the Board that the contracts currently in place do not allow for this.

Director Nichol shared concern over the lack of influence the District has. Attorney Dykstra suggested establishing a cooperation committee.

Director Wright requests that tax money paid by the District stop going to Mesa Ridge Metropolitan District No. 1. Discussion ensued. The Board requested that Attorney Dykstra look into terminating the Intergovernmental Agreements between Mesa Ride Metropolitan District No. 1 and the District.

Jennifer Preves, member of the public, inquired on the change of Mesa Ridge Metropolitan District No. 1 and the District. Ms. Preves shared that taxes are much higher in Mesa Ridge Metropolitan District Nos. 1-2 and asked what the cause was.

Director Jones shared concerns over the perceived conflict of interest of the District Management company. Ms. Bartow confirmed that the management team works for the Board of Directors and that the Board is not required to have one specific management company.

May 2, 2023 Regular Director Election: Attorney Dykstra reviewed the results of the May 2, 2023 Regular Election which was cancelled because the District did not receive more self-nominations than seats available. Director Jones, Director Nichol and Director Wright were each elected to serve four-year terms.

Filing of Oaths of Directors: Attorney Dykstra confirmed that all Oaths of Directors have been filed.

Appointment of Officers: Attorney Dykstra reviewed the roles and expectations for Board members. Board members were appointed as follows:

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President: Matthew Jones
Secretary: Elizabeth Nichol
Treasurer: Tanner Orion Wright
Assistant Secretary: Bobby Ingels
Assistant Secretary: Timothy Seibert

FINANCIAL MATTERS

March 31, 2023 Unaudited Financial Statements: Ms. Bartow reviewed the March 31, 2023 Unaudited Financial Statements with the Board. Following review, upon a motion duly made by Director Wright, seconded by Director Nichol and, upon vote, unanimously carried, the Board accepted the March 31, 2023 Unaudited Financial Statements, as presented.

Director Wright asked if the Board was on track to repay bonds. Ms. Hansen provided the Board with an update. Discussion ensued.

Director Wright addressed questions regarding District liabilities, property tax ratios, debt service versus operational, frequency of bond interest payments and requested clarity on over budgeting. Discussion ensued.

The Board discussed interest rates on the bonds. Attorney Dykstra informed the Board that bonds can be refinanced when more favorable rates are available in the market.

Director Wright asked what the consequences would be for defaulting on the bonds. Attorney Dykstra informed the Board that if the District does not set appropriate mill levies and pay over the revenues to the bond holders as required under the bond indenture, the bond holder can sue the District to enforce the bond holder's rights and a penalty mill levy can be assessed against the District to satisfy a judgment.

Director Jones asked why the General Fund is so low. Attorney Dykstra informed the Board that the General Fund is the normal set up for Districts due to the Intergovernmental Agreement structure.

Attorney Dykstra reviewed how to terminate the Intergovernmental Agreement between Mesa Ridge Metropolitan District No. 1 and the District. Discussion ensued.

Mr. Miller reviewed the overall 2023 Budget with the Board.

Director Nichol requested to set a joint committee meeting. The management team will set up the meeting between Mesa Ridge Metropolitan District No. 1 and the District.

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2023 Budget Amendment: Ms. Bartow explained the public hearing process to the Board. Director Jones opened the public hearing to consider amendment to the 2023 Budget.

It was noted that publication of Notice stating that the Board would consider amendment to the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

No public comments were received. Director Jones closed the public hearing. Upon a motion duly made by Director Wright, seconded by Director Nichol and, upon vote, unanimously carried, the Board approved the 2023 Budget amendment.

Director Nichol addressed refinancing bonds for a lower rate. Discussion ensued.

The Board requested more information regarding who set the bond rates and how much debt was incurred for the original development.

Attorney Dykstra reviewed the engineers certification and market analysis with the Board.

Director Jones shared concerns that residents are paying too much in taxes with little return when compared to other Districts who have more amenities and pay less taxes. Discussion ensued.

Director Jones raised a concern that Mesa Ridge Metropolitan District No. 1 expanded their land, taking away a chance for the District to gain equal footing. Director Jones also shared concerns that there was a conflict of interest not being addressed.

Director Nichol asked a question regarding how mill levies will be affected once Mesa Ridge Metropolitan District No. 1 is developed. Discussion ensued.

Director Nichol raised concerns regarding District management and miscommunications. Discussion ensued. The Board requested that the current District Manager be removed, and another be installed from CLA. Ms. Bartow informs the Board that there are options available to the Board.

Debt Obligations and Tax Revenues: Director Wright requested clarity on how the budget is prepared. Discussion ensued.

Director Wright inquired on the 2022 Audit exemption. Discussion ensued.

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The Board inquired on how much the District's developer has paid in the past for operational expenses.

Director Jones addressed the "shortfall" in the District. Ms. Bartow informed the Board that Mesa Ridge Metropolitan District No. 1 covers all operational functions for the entire District.

Director Wright requested clarity on insurance for the District. Discussion ensued.

Discussion regarding what the developer has contributed financially to the District ensued.

LEGAL MATTERS

Legislation Update: Attorney Dykstra reviewed new State requirements for Town Hall meetings.

Ms. Pevers requested that meeting notices be posted in more locations. Discussion ensued.

Attorney Dykstra encouraged the Board to review the Intergovernmental Agreements for the Districts. Discussion ensued.

Director Jones inquired on the obstacles the District faces and how to be fair between Mesa Ridge Metropolitan District No. 1 and the District. Discussion ensued.

Director Wright stated that if the District has enough revenue to cover the District's expenses they make seek to terminate the Intergovernmental Agreement between Mesa Ridge Metropolitan District No. 1 and the District.

Director Jones requested all records related to the cost of establishing Mesa Ridge Metropolitan District Nos. 1-2 along with the engineers report.

MANAGER MATTERS

None.

DIRECTOR MATTERS

Maintenance of the Corners of Sneffels Street and Mesa Ridge Parkway:

Director Nichol shared concerns regarding the maintenance of the corner of Sneffels Street and Mesa Ridge Parkway. Director Nichol inquired on how to organize a clean-up. Discussion ensued. The Board requested that an updated map be made available and posted on the website.

Cross Creek Park: This item was not addressed.

Installation of Two Dog Waste Stations: Director Nichol presented a motion

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to install two dog waste stations. Discussion ensued. Attorney Dykstra stated that if the location is not on District property the Board will need to seek approval from the City prior to installing and shared that these improvements should be reported to the P&L insurance. Following review and discussion, upon a motion duly made by Director Jones, seconded by Director Ingels and, upon vote, unanimously carried, the Board approved the installation of two dog waste stations.

Organization of a Neighborhood Clean-up: Director Nichols proposed a community clean up with dumpsters to be held one to two times per year. Discussion ensued.

OTHER BUSINESS

Director Jones asked if a publication in the newspaper met the requirements to be a good faith effort to notify the public. Attorney Dykstra stated that it followed the statute requirements.

Director Jones addressed questions regarding the most recent bond and the annual Debt Service Fund. Discussion ensued.

Director Wright inquired if the Board can reduce mill levies. Ms. Bartow and Attorney Dykstra informed that Board that they could reduce mill levies if the proper requirements were met.

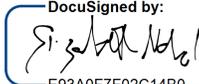
Director Nichol asked if the meeting packet could be shared on the District website. Attorney Dykstra stated that it could be posted on the website. He also discussed clarity regarding CORA requests, fiduciary responsibilities, and general practices for new resident Boards.

The Board requested a special meeting to be held on June 28, 2023 at 6:30 p.m.

ADJOURNMENT

There being no further business to come before the Boards at this time, Director Jones adjourned the meeting at 8:41 p.m.

Respectfully submitted,

By  Secretary for the Meeting
DocuSigned by:
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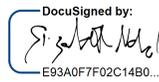
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Elizabeth Nichol
truegoddess@hotmail.com
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Signature



Signature Adoption: Drawn on Device
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Sent: 9/14/2023 7:18:10 PM
Viewed: 9/15/2023 9:13:25 PM
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Certified Delivery Events	Status	Timestamp
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Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/14/2023 7:18:10 PM
Certified Delivered	Security Checked	9/15/2023 9:13:25 PM
Signing Complete	Security Checked	9/15/2023 9:21:06 PM
Completed	Security Checked	9/15/2023 9:21:06 PM

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